

United States District Court

for the
Western District of New York

United States of America

v.

Case No. 19-mj-1159

DENNIS DANIELS

Defendant

CRIMINAL COMPLAINT

I, the complainant in this case, state that the following is true to the best of my knowledge and belief.

On or about the dates set forth below, in the Western District of New York and elsewhere, the defendant, DENNIS DANIELS:

- (1) From on or about October 17, 2018, to on or about August 1, 2019, did knowingly devise a scheme to defraud and to obtain money by means of false and fraudulent pretenses, representations and promises, and, for the purpose of executing such a scheme, knowingly caused to be delivered by mail any matter; and
- (2) From on or about September 15, 2017, to on or about September 19, 2017, did knowingly and willfully make and use any false writing and document in a matter within the jurisdiction of the United States Department of Homeland Security, U.S. Coast Guard, knowing the same to contain any materially false, fictitious, and fraudulent statement and entry;

all in violation of Title 18, United States Code, Sections 1341 and 1001(a)(3).


This Criminal Complaint is based on these facts:

☒ Continued on the attached sheet.


Complainant's signature
Cindy C. Buckley, Special Agent, CGIS
Printed name and title

Sworn to before me and signed in my presence.

Date: December 19, 2019


Judge's signature
HON. JEREMIAH J. MCCARTHY, USMJ
Printed name and title

City and State: Buffalo, New York

AFFIDAVIT IN SUPPORT OF A CRIMINAL COMPLAINT

I, Cindy C. Buckley, being duly sworn, depose and say:

I. BACKGROUND

1. I am a Special Agent with the U.S. Department of Homeland Security, Coast Guard Investigative Service (“CGIS”), assigned to the Resident Agent Office, Buffalo, New York. I have been employed with the Department of Homeland Security for 16 years, as both a Special Agent with CGIS and as a Special Agent with the U.S. Secret Service. As a Special Agent, I am authorized to investigate violations of laws of the United States and to execute warrants issued under the authority of the United States. My duties as a Special Agent with CGIS include, among others, the investigation of fraud in connection with merchant mariner credentials to include false documents in violation of Title 18, United States Code, Section 1001(a)(3); and mail fraud in violation of Title 18, United States Code, Section 1341.

2. This affidavit is made in support of an application for a criminal complaint charging **DENNIS DANIELS** (“DANIELS”) with mail fraud and making a false document, in violation of Title 18, United States Code, Sections 1341 and 1001(a)(3).

3. I am currently participating in a joint investigation with United States Postal Inspection Service and Internal Revenue Service, Criminal Investigation, focused on a maritime training business, Sea Tech Marine Training, and a maritime testing consortium, Sea Test, Inc., of which DANIELS is the sole owner and proprietor. Sea Tech Marine Training offers various United States Coast Guard (“USCG”) approved training courses, to

include Operator Uninspected Passenger Vessel (“OUPV”) license, One Hundred Ton Masters (“Masters”) license, Assistance Towing Endorsement, and Auxiliary Sail Endorsement. These training programs must be compliant with 46 C.F.R. Subpart D – Training Courses and Programs, Sections 10.401 through 10.412. Sea Test, Inc. offers drug-testing programs for USCG license holders to meet mandatory drug testing for compliance with 46 C.F.R. parts 4, 5, 6, 16 and 49 C.F.R. part 40. Companies and individuals may join, as a single entity, under DANIELS’ company Sea Test, for the purposes of drug and alcohol testing, which acts like a consortium. This relationship affords members the ability to add themselves and their employees to a combined random drug and alcohol testing pool. Daniels provides the members with necessary paperwork, recordkeeping, and random test generation and report submissions to the Coast Guard. The Coast Guard currently requires 50% of crew members in a consortium be tested once per year. Previously, the requirement was that 25% of members in a consortium needed to be tested once per year.

4. Any person seeking to operate an uninspected passenger vessel must either have 360 days of inland or near coastal waters experience or complete a 56-hour course that is eight hours per day in length. The student must then pass a closed-book examination. Once a person receives a certificate, they are eligible to apply for a Merchant Mariner Credential (“MMC”) and seek employment operating vessels such as small-scale fishing boats, SCUBA boats and whale-watching boats. The total number of passengers for this certification, commonly known as a six-pack license, is limited to six or fewer.

5. Any person seeking to operate Coast Guard inspected vessels of up to 100 gross tons must either demonstrate at least 360 days of service on a 100 gross ton or greater vessel or complete a 24-hour course that is eight hours per day in length (in addition to having already completed the training hours for an uninspected passenger vessel certificate). The student must then pass a closed book examination. Once a person receives a certificate, they are eligible to apply for a MMC and seek employment operating both uninspected (up to six passengers) and inspected vessels (as many passengers as the inspected vessel is certified to carry) up to 100 gross tons such as ferries and tour boats.

6. The information contained within this affidavit is based on my investigation and on information either personally known to me or provided to me by other investigators in my official capacity. Because this affidavit is being submitted for the limited purpose of securing a criminal complaint, I have not included each and every fact known to me concerning this investigation. The information that I have set forth herein I believe to be reliable based upon the investigation to date. Further, I have set forth only the facts that I believe are necessary to establish probable cause to believe that DANIELS did knowingly violate Title 18, United States Code, Sections 1341 and 1001(a)(3).

II. INVESTIGATION AND FACTUAL BASIS

7. As more fully set out below, the investigation has developed evidence and information that DANIELS made false statements to a USCG Senior Investigating Officer that an MMC holder and captain of a vessel (hereinafter "Captain") was enrolled in a Sea Test, Inc. drug program as required by regulation when he, in fact, was not. This false

statement provided by DANIELS validated Captain's MMC and Transportation Workers Identification Card thereby allowing him to retain employment operating a passenger vessel, with a capacity of 62 passengers. Furthermore, upon learning of this false statement, your affiant and others began an investigation, which has developed evidence and information that DANIELS provided training certificates to the USCG, via the United States Mail, certifying students had completed training and been tested in compliance with USCG requirements, when in fact, students had not received the required number of hours of instruction, or received the training and testing in the manner and quality required.

A. Sea Test, Inc.

8. On September 15, 2017, an owner' representative of a U.S. inspected small passenger vessel (hereinafter "Witness 1"), contacted USCG Senior Investigating Officer Richard Minnich, via text message, to advise him that Captain, who was the vessel's captain, was drinking alcohol while underway. Witness 1 subsequently contacted Captain about this allegation, and learned that Captain was not in a drug and alcohol testing program. Witness 1 then directed Captain to report to a drug-testing location to be tested.

9. Captain subsequently called Witness 1 on the telephone to tell him he would not need to be drug tested because DANIELS told him he would backdate a letter, serving as a certificate of compliance with federal urinalysis regulations, showing that Captain had been in a drug testing program since June 1, 2017. Captain subsequently provided DANIELS his credit card number, and then DANIELS sent Witness 1 a copy of the backdated letter to via email and called Witness 1 on the telephone. Witness 1, suspecting that DANIELS would

call him on the telephone, recorded the telephone call during which DANIELS eventually admitted to falsifying the certificate of compliance letter by backdating it to June 1, 2017.

10. On September 19, 2017, Officer Minnich received the fictitious compliance certificate via e-mail from Captain. On September 20, 2017, Officer Minnich called Captain and requested proof of the date on which Captain joined the Sea Test consortium. Captain then admitted the letter was backdated to Officer Minnich. DANIELS subsequently called Officer Minnich and admitted to backdating the letter. Both Captain and DANIELS provided written statements admitting the certificate of compliance was backdated to June 1, 2017, to cover the boating season.

11. Records maintained by the USCG indicate that Sea Test was formed on July 3, 2008, and from 2012 to 2017, the number of covered employees in the Sea Test consortium steadily grew from 68 to 204. From 2012 to the present, Sea Test has never reported a positive urinalysis from a member of the consortium to the USCG.

B. Sea Tech Marine Training

12. On October 17, 2018, Individual C, who is known to the government, enrolled in DANIELS' OUPV course, which was scheduled to be conducted by DANIELS at the Holiday Inn and Suites in Port Clinton, OH on weekends in January and February 2019. Individual C paid a \$100 deposit via SeaTech's Business PayPal.com account. Individual C subsequently received an email from DANIELS, confirming Individual C's registration for the course. The email stated the remaining balance of \$590 was due on January 26, 2019, the

first class. On January 8, 2019, after emailing DANIELS to confirm the course start time, Individual C was sent a confirmation email confirming the start date of January 26, 2019. Individual C attended the above training course and audio recorded DANIELS instructing the class using a digital voice recorder.

13. Individual C attended class for seven hours thirty minutes on January 26, 2019, six hours thirty minutes on January 27, 2019, seven hours twenty five minutes on February 2, 2019, three hours on February 3, 2019, seven hours twenty five minutes on February 9, 2019, five hours on February 10, 2019, three hours thirty minutes on February 15, 2019, six hours thirty minutes on February 16, 2019, and four hours on February 17, 2019. As stated above, total classroom time for OUPV required by the Coast Guard is 56 hours. Total classroom time for Masters required by the Coast Guard is 24 hours. Individual C attended only approximately 50 hours 30 minutes of classroom instruction, instead of the required amount of 80 hours for the OUPV with Masters upgrade certificate. In addition, first aid with CPR training and Federal Communications Commission (FCC) licensing certifications were offered during the training course for an additional charge of \$50 and \$60, respectively, and are not approved by the USCG as part of the OUPV or Masters upgrade courses.

14. On January 26, 2019, which was the first day of class, DANIELS stated to the class, "you are going to pass the test." DANIELS also offered a discount on the Masters upgrade, from \$250 to \$125 stating, "I'll pretty much tell you everything that's on the exam, because I want you guys to pass," "you are not going to fail it," and "in thirty four years, no one has failed that test." DANIELS further said, "my exams are greatly watered down

compared to what you would take if you went to the Coast Guard.” “I write the exams” and “they’re written to be passed, not failed.” DANIELS also discussed classroom time, stating, “I don’t teach to the clock. There’s a certain amount of work I have to get done each day and um when we’re done, we’re done. We’re never going to go as late as the Coast Guard wants me to.” DANIELS also stated “you can certainly get in your car and probably do nothing the rest of the weekend and you’ll have a six-pack license.”

15. On January 27, 2019, DANIELS spoke about the 10-question chart plotting test stating, “you are going to know the exact questions.”

16. On February 2, 2019, DANIELS told the students that he maintains a small office in Ovid, New York, that he pays four hundred dollars per month to rent. DANIELS said he is required by the Coast Guard to maintain this space with locked file cabinets. He said records at his office include student’s Personally Identifiable Information (PII) and exams, which he kept for ten years. This location is DANIELS’ office of current record and an approved training location with the USCG. At the end of the class, DANIELS distributed an exam answer sheet for the FCC Marine Radio Operator Permit test stating, “what we’re gonna do is we’re gonna do this kinda like family style” and he proceeded to read through the test with the class, instructing them of the correct answers before collecting the answer sheets.

17. On February 9, 2019, DANIELS said he teaches to the exam he writes stating “if it is not on the exam, I don’t cover it in class,” and “you know what the questions are going to be.” DANIELS joked about having 24 students in class and that all 24 students score

one hundred percent on the FCC test, stating “son of a bitch, my FCC monitor keeps sending me emails, god your class just smokes these things.”

18. On February 10, 2019, DANIELS advised students to “lie big” on their sea service form, CG-719S, submitted to the USCG in support of their MMC. DANIELS said, “If you are thinking about the boat, you are on the boat,” and “sign the damn form” because the USCG never questions sea service.

19. On February 15, 2019, DANIELS told the class that, for the Masters exam, “I’m going to read every freakin’ question and that’s why everybody does so hot,” “there is no studying or anything.”

20. On February 16, 2019, DANIELS said to the class that “no studying” is required for the Masters exam because I “read that whole exam to you tomorrow.” “Please don’t take the book home, don’t study or anything, we’ll get you through the Masters upgrade.”

21. On February 17, 2019, DANIELS passed around an attendance sheet and instructed students to initial that they had attended for all dates stating “we’ve had perfect attendance,” “I’ll sign it.” Daniels had previously stated in class on January 26, 2019, “I know sometimes they come, sometimes they don’t.” Daniels reviewed the 70 questions on the Masters exam prior to administering the test. A 70% is required to pass the exam and all of the students passed. DANIELS talked about filling out applications, again instructing the

class to falsify sea service hours stating, “you’re all liars anyway, so lie big.” He said, “It may not be honest,” but “in the history of Sea Tech, they’ve never questioned it,” “nobody knows,” so “sign ‘em up, line ‘em up.” Daniels said, “if you own that sail boat, you can put down all you want.” Daniels told the students not to use their own doctor for their physical because they “know too much about you.” He further instructed students to send their completed application packages to him and that he would check them over, free of charge, before sending them to the USCG. He said students should advise him if they planned to send their applications to the USCG directly because it could delay issuance of their MMC. DANIELS provided instructions, both verbally and in writing, to mail their completed applications to him via United States Postal Service Priority Mail, addressing their packages to DANIELS’ residence in Romulus, New York.

22. On June 4, 2019, Individual C’s application was sent to DANIELS residence, an address located in the Western District of New York, via United States Postal Service Priority Mail, which was signed for on June 7, 2019. On June 10, 2019, DANIELS mailed Individual C’s completed application via United States Postal Service Express Mail to the USCG REC, Toledo, Ohio, to be processed electronically through the National Maritime Center (“NMC”).

23. On July 24, 2019, Individual C received electronic notification via e-mail from the USCG NMC electronic notification system that his Application for a Merchant Mariner Credential was approved for issuance. A subsequent e-mail from the USCG NMC electronic notification system on July 24, 2019, advised individual C that his MMC had been issued and

mailed via first class USPS and he should expect to receive his MMC within ten days. Individual C received his Merchant Mariner Credential via first class USPS on August 1, 2019.


24. On July 30, 2019, federal search warrants were executed at DANIELS' office in Ovid, New York, and DANIELS' residence in Romulus, New York. Records created in the course of DANIELS' businesses, Sea Tech Marine Training and Sea Test, Inc., were seized. The records relating to Sea Tech Marine Training included course exams, answer keys, student answer sheets, class rosters, sign in sheets, course enrollment forms, payments, receipts, course materials and course completion certificates. The records relating to Sea Test, Inc., included enrollment forms, member contracts, payment methods, receipts, urinalysis results and certificates of compliance.

25. On July 30, 2019, during the execution of the search warrants, your affiant, along with CGIS Special Agent Edward Songer interviewed DANIELS, who provided background information regarding his two businesses, Sea Tech Marine Training and Sea Test, Inc. On July 31, 2019, DANIELS was interviewed again, and read statements he had made during the OUPV training he instructed in Port Clinton, OH from January to February, 2019. After listening to quotes he made while instructing the class each day, DANIELS was given opportunity to respond and stated that students in Port Clinton are not as smart and admitted he needs to say and do these things to keep them motivated and get them through the courses. DANIELS acknowledged that he gave exact answers to questions to the students


prior to exams and that he knew it was wrong to do so, and that he also did not teach the students for the required hours he was supposed to.

26. Following the execution of the search warrants, a review of Individual C's class records showed that all 24 students in the Port Clinton class, to include Individual C failed the Chart Plotting test. The Chart Plotting test is a 10-question test which requires a minimum passing grade of 90%. Four students, to include Individual C also failed the Rules of the Road test. The Rules of the Road test is a 50-question test which requires a minimum passing grade of 90%. Passing the Chart Plotting test and Rules of the Road tests are required to pass DANIELS' OUPV course. Despite failing these tests, DANIELS still issued Individual C a course completion certification, which was required for the issuance of Individual C's MMC.

27. Based on the foregoing, I respectfully submit that I have probable cause to believe that **DENNIS DANIELS** has violated Title 18, United States Code, Sections 1341 and 1001(a)(3).


Cindy C. Buckley, Special Agent
Coast Guard Investigative Service

Sworn and subscribed to before me
this 19th day of December 2019.


HON. JEREMIAH J. MCCARTHY
United States Magistrate Judge